
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 18, 2013

Donegal Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-15341
(Commission
file number)

23-02424711
(I.R.S. employer
identification no.)

1195 River Road, Marietta, Pennsylvania
(Address of principal executive offices)

17547
(Zip code)

Registrant's telephone number, including area code: 717-426-1931

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 7.01. Regulation FD.

We intend to present at our 2013 annual meeting of stockholders to be held at 10 a.m. eastern time on April 18, 2013 the following three presentations:

- Presentation of our chairman and chief executive officer;
- Presentation of the chairman of the special committee of our board of directors; and
- Presentation of the chairman of our compensation committee.

We incorporate by reference in this Item 7.01 the texts of these presentations we attach as Exhibits 99.1, 99.2 and 99.3, respectively.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Presentation of the Chairman and Chief Executive Officer of Donegal Group Inc.
99.2	Presentation of the Chairman of the Special Committee of the Donegal Group Inc. Board of Directors.
99.3	Presentation of the Chairman of the Compensation Committee of the Donegal Group Inc. Board of Directors.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DONEGAL GROUP INC.

By: /s/ Jeffrey D. Miller
Jeffrey D. Miller, Senior Vice
President and Chief Financial Officer

Date: April 18, 2013

Annual Meeting of Stockholders

April 18, 2013



Forward-Looking Statements

The Company bases all statements made in this presentation that are not historic facts on its current expectations. These statements are forward-looking in nature (as defined in the Private Securities Litigation Reform Act of 1995) and involve a number of risks and uncertainties. Actual results could vary materially. Factors that could cause actual results to vary materially include: the Company's ability to maintain profitable operations, the adequacy of the loss and loss expense reserves of the Company's insurance subsidiaries, business and economic conditions in the areas in which the Company operates, interest rates, competition from various insurance and other financial businesses, terrorism, the availability and cost of reinsurance, adverse and catastrophic weather events, legal and judicial developments, changes in regulatory requirements, the Company's ability to integrate and manage successfully the companies it may acquire from time to time and other risks the Company describes from time to time in the periodic reports it files with the Securities and Exchange Commission. You should not place undue reliance on any such forward-looking statements. The Company disclaims any obligation to update such statements or to announce publicly the results of any revisions that it may make to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

Reconciliations of non-GAAP data are available in the Investors section of the Company's website at www.donegalsgroup.com in the Company's news releases regarding quarterly financial results.

President's Report

Corporate Objective

Create value for shareholders, policyholders, agents, employees and the communities we serve by outperforming the property and casualty insurance industry over time in terms of service, profitability and book value growth

Multi-faceted Strategy to Achieve Strategic Goals

- **Conservative underwriting**
- **Pricing discipline and premium adequacy**
- **Prudent organic and acquisition growth**
- **Best-in-class technology**
- **Effective and growing agency distribution system**

Multi-faceted Strategy to Achieve Strategic Goals

- **Superior claims service**
- **Efficient operations**
- **Conservative investing**
- **Strong enterprise risk management**
- **Recruiting, development and retention of quality personnel**



2012 Financial Results



Financial Results

	2011	2012
• Total Revenues	\$475,018,000	\$514,983,000
• Premiums Earned	\$431,470,000	\$475,002,000
• Investment Income	\$20,858,000	\$20,168,000
• Net Income	\$453,000	\$23,093,000
• Statutory Combined Ratio	107.9%	99.8%

Balance Sheet Strength

December 31,

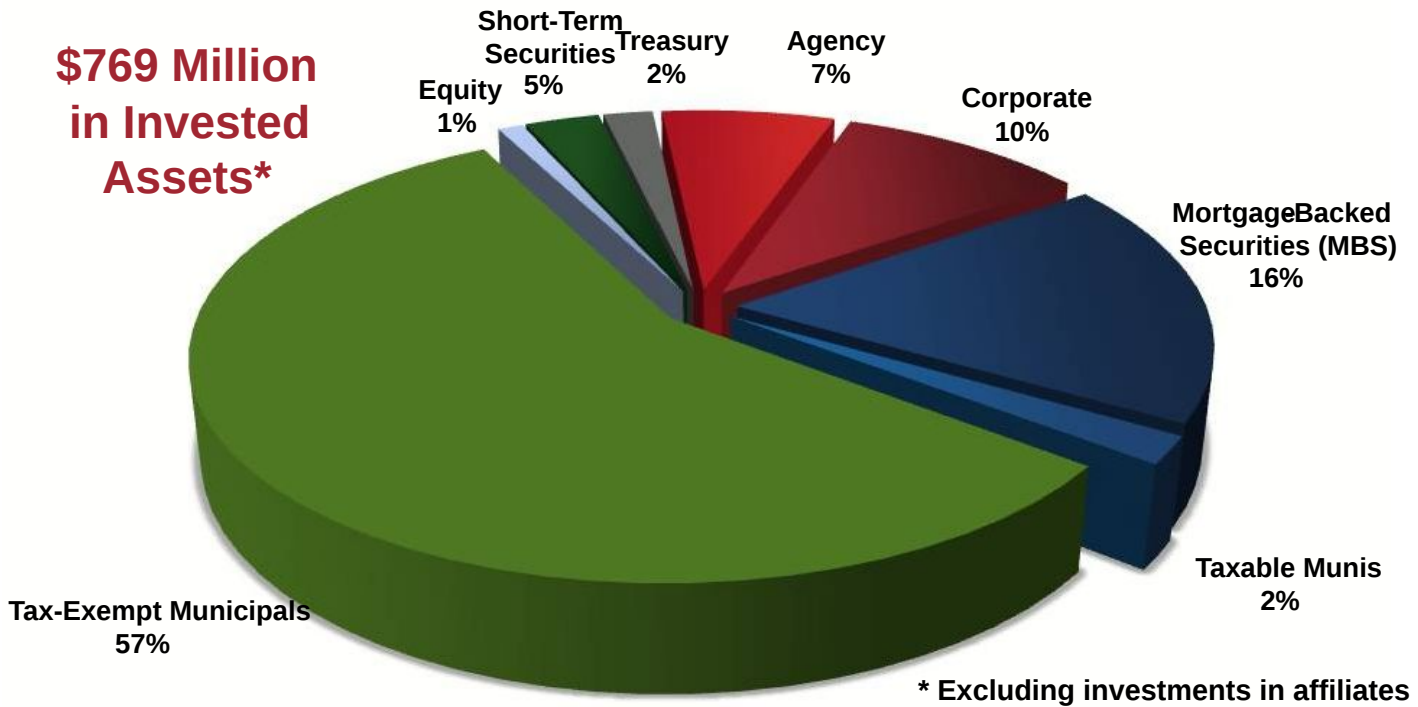
2011

2012

• Total Assets	\$1,290,793,000	\$1,336,889,000
• Stockholders Equity	\$383,452,000	\$400,034,000
• Book Value per Share	\$15.01	\$15.63

Investment Portfolio

**\$769 Million
in Invested
Assets***



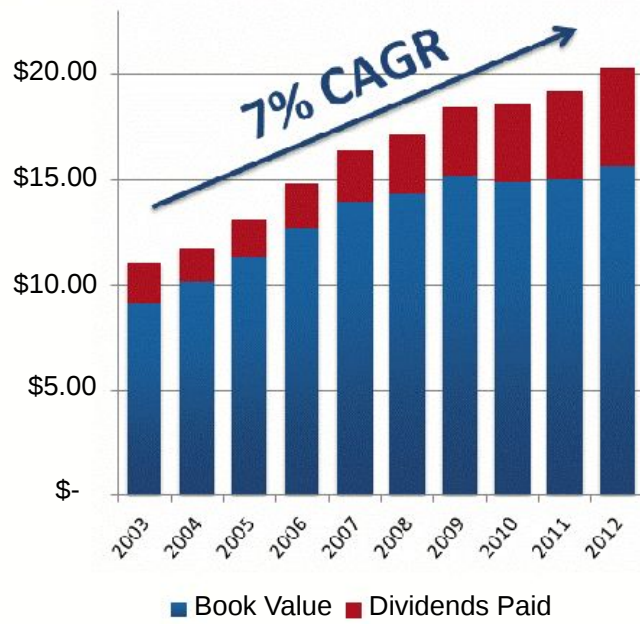
Fixed Maturity Investment Ratings

December 31, 2012

U.S. Treasury and U.S. Agency Securities	\$201,358,000	27.3%
Aaa or AAA	53,203,000	7.2%
Aa or AA	379,372,000	51.5%
A	89,338,000	12.1%
BBB	13,339,000	1.9%
Total	\$736,610,000	100.0%

Growth of Book Value

Book Value Plus Cumulative Divide



1st Quarter 2013 Financial Results



1st Quarter Financial Results

1st Qtr 2012 1st Qtr 2013

- **Total Revenues** **\$125,348,000** **\$133,873,000**
- **Premiums Earned** **\$114,692,000** **\$124,702,000**
- **Investment Income** **\$5,090,000** **\$4,815,000**
- **Net Income** **\$8,010,000** **\$6,475,000**
- **Statutory Combined Ratio** **96.9%** **98.0%**

Balance Sheet Strength

	December 31, 2012	March 31, 2013
• Total Assets	\$1,336,889,000	\$1,352,033,000
• Stockholders Equity	\$400,034,000	\$404,722,000
• Book Value per Share	\$15.63	\$15.72

Technological Capabilities



**Call
Center**

**Service
Center**

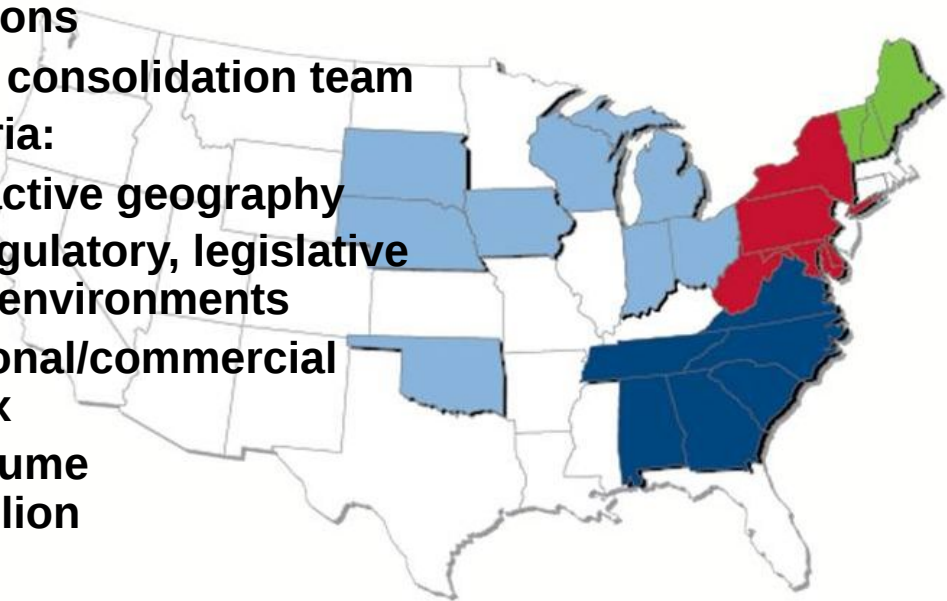
ClaimCenter

ImageRight

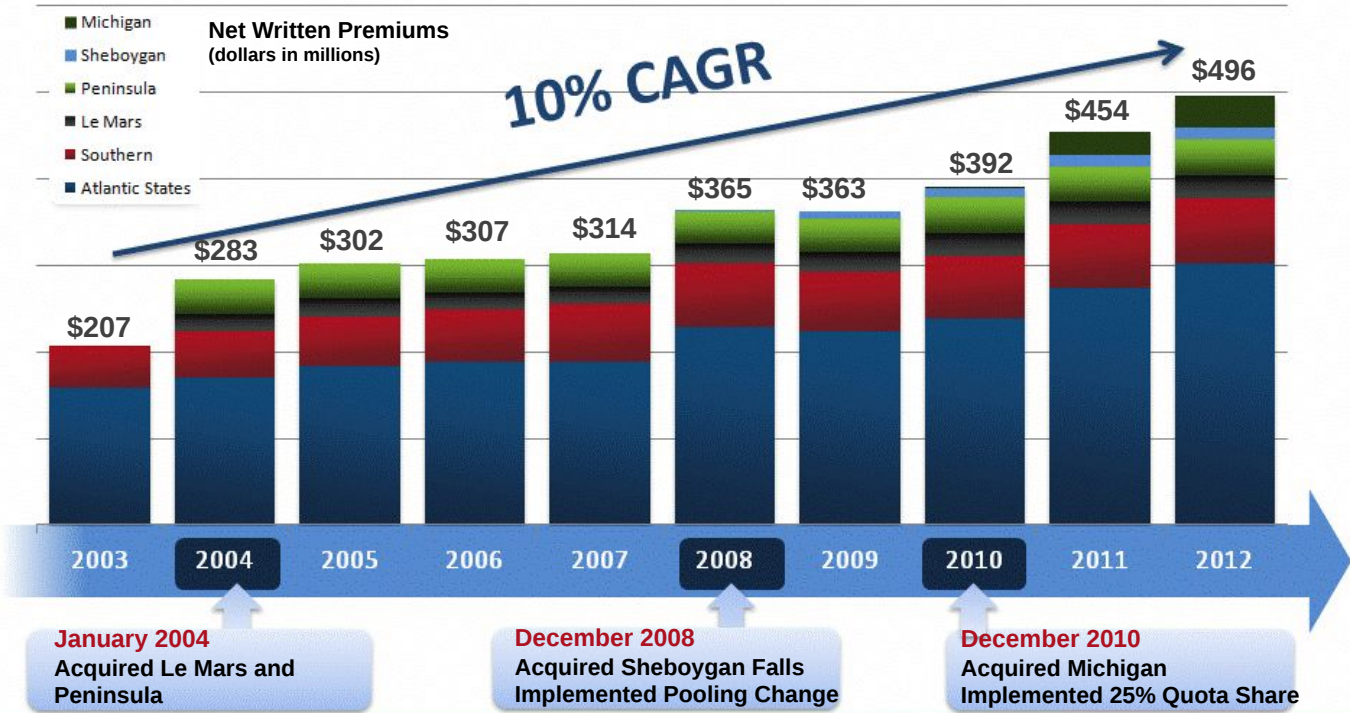
Acquisitions and Affiliations

Regional Focus: Serving 22 States Through 2,500 Independent Agencies

- 10 M&A transactions
 - Experienced consolidation team
- Acquisition criteria:
 - Serving attractive geography
 - Favorable regulatory, legislative and judicial environments
 - Similar personal/commercial business mix
 - Premium volume up to \$100million



Acquisitions Have Made Meaningful Contribution to Long-term Growth



Union Community Bank

(48% owned by Donegal Group Inc.)

- **Financial results:**

- \$509.8million in assets at year-end 2012
- \$9.8 million in 2012 net income, up from \$4.8 million in 2011
- \$2.3 million in net income for first quarter of 2013

- **Excellent capital ratios at March 31, 2013:**

Tier 1 capital to average total assets	15.34%
Tier 1 capital to risk-weighted assets	22.17%
Risk-based capital to risk-weighted assets	24.25%

Recognition



Affirmed October 2012



© 2013, Forbes Media LLC. Used With Permission

Annual Meeting of Stockholders

April 18, 2013



DONEGAL[®]
GROUP INC.

SPECIAL COMMITTEE PRESENTATION

1. I am the Chair of the Special Committee of Donegal Group's Board of Directors.
2. There are five Donegal Group independent directors on the Special Committee. None of the five Special Committee directors are officers or directors of the Donegal Mutual Insurance Company and none are officers of Donegal Group.
3. After Mr. Shepard made his tender offer for the Class B Shares of Donegal Group on March 20, 2013, our Special Committee reviewed his tender offer.
4. We found that Mr. Shepard had attached numerous conditions to his tender offer. You should understand, as we did, that, in the event Mr. Shepard's conditions were not satisfied by April 19, 2013, he had no obligation to purchase any of the Class B Shares that were the subject of his tender offer.
5. Our Special Committee concluded that Mr. Shepard's conditions could not be satisfied by his April 19, 2013 expiration date or even within a reasonable period of time following April 19, 2013 and, therefore, he would not have any obligation to purchase any Class B Shares tendered to him. In a word, Mr. Shepard's offer was illusory.
6. I should note that Mr. Shepard cannot acquire any of Donegal Group's Class B Shares without first obtaining insurance regulator and banking regulator approvals which will take a minimum of 60 days. By the way, it is possible that Mr. Shepard may not receive these necessary approvals.
7. Our independent Special Committee then made a report to the Donegal Group Board of Directors in which the Special Committee unanimously recommended that the holders of Donegal Group's Class B Shares reject Mr. Shepard's tender offer and not tender their Class B Shares to him.
8. The full Board accepted our unanimous recommendation without any modifications, and, in turn, recommended that the holders of Donegal Group's Class B Shares reject Mr. Shepard's tender offer and not tender their Class B Shares to him.
9. We have copies of Donegal Group's 14D-9 filing with the Securities and Exchange Commission concerning Mr. Shepard's tender offer if you would like one when you leave the meeting.

STOCK OPTION COMPENSATION PRESENTATION

1. The objective for the option plans is to provide a long-term incentive for directors, officers, management and supervisory personnel of Donegal Group and its subsidiaries and affiliates to use their dedicated efforts to contribute to the growth and financial success of Donegal Group and its subsidiaries and affiliates and, at the same time, to align the interests of those individuals with the interests of Donegal Group's stockholders.
2. Moreover, the option plans are not designed to exclusively incentivize and benefit Donegal Group's directors and senior officers, but rather to provide incentives and compensation benefits to the entire management team of the Donegal organization. For this reason, a total of 270 individuals received 2012 option grants, with 67% of the options issued to management personnel other than Donegal Group's senior officers and only 10% issued to directors and 23% issued to Donegal Group's senior officers.
3. The decisions starting in 2011 to issue options at the approximate market price on the date of grant and to make options available to be exercised over a ten-year period were based on recommendations by the Donegal Group Compensation Committee's compensation consultant Towers Watson. Towers noted that Donegal Group's option awards prior to 2011 were out of step with market practice and general principles of sound long-term incentive design.
4. Stock options have not resulted in a significant number of additional outstanding shares over the past five years. The number of Class A shares outstanding has increased by only 269,000 shares from December 31, 2007 to December 31, 2012.
5. The proposed increase in the authorized Class A shares from 30 million shares to 40 million shares will not have any immediate or near term dilutive effect on Donegal Group's EPS. Donegal Group has no intention to issue 10 million shares in 2013. The additional 10 million authorized shares will allow for a continuation of the option plans in the future and for other general corporate purposes we have described in our proxy statement.